

The Telecommunications Excise Tax Act imposes a tax on the act or privilege of originating or receiving intrastate or interstate telecommunications by persons in Illinois that have purchased those telecommunications at retail from retailers. See 86 Ill. Adm. Code 495/100 et seq. (This is a GIL.)

September 13, 2004

Dear Xxxxx:

This letter is in response to your letter dated June 10, 2004, in which you request information. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at [www.ILTAX.com](http://www.ILTAX.com) to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

ABC auditing and consulting firm for companies located throughout the United States. We are currently auditing a firm with offices locating in Illinois and request clarification of the Illinois Telecommunications Excise Tax as it applies to exemption from imposition.

Our review of the IL Web for the Excise Tax, Statutes: 35ILCS 630/1 to 630/21 contains a section relating to Allowable Deductions & Non-taxable sales. Please provide clarification of the 'Sales in interstate commerce' exemption. Several states allow exemption to companies providing interstate transportation for hire of people or material. ABC represents an interstate trucking firm and would like to know if it would qualify for an exemption of the Telecommunications Excise Tax. Thank you for your response.

#### **DEPARTMENT'S RESPONSE:**

Generally, the exemption you referenced under the Telecommunications Excise Tax Act concerns the sale of telecommunications where the origination and termination of that telecommunication occurs outside of this State. The Telecommunications Excise Tax Act imposes a

tax on the act or privilege of originating or receiving intrastate or interstate telecommunications by persons in Illinois that have purchased telecommunications at retail from retailers. To prevent multi-state taxation, persons may take a credit for tax paid to another state. For more complete information regarding the Illinois Telecommunications Excise Tax Act please refer to the Department's administrative rules at 86 Ill. Adm. Code 495/100 et seq.

Illinois does allow certain exemptions from Illinois Retailers' Occupation Tax liability for sales of tangible personal property to interstate carriers for hire for use as rolling stock moving in interstate commerce, however, your letter does not describe a sale of tangible personal property. For detailed information concerning the rolling stock exemption please refer to 86 Ill. Adm. Code 130.340.

I hope this information is helpful. If you require additional information, please visit our website at [www.ILTAX.com](http://www.ILTAX.com) or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Edwin E. Boggess  
Associate Counsel

EEB:msk